

## Message Text

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53

ACTION AF-06

INFO OCT-01 ISO-00 SP-02 AID-05 EB-07 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03 H-02 PA-01

PRS-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 USIA-06

XMB-02 OPIC-03 LAB-04 SIL-01 AGR-05 /086 W  
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R 091145Z JAN 76

FM AMEMBASSY MBABANE

TO SECSTATE WASHDC 9009

INFO AMEMBASSY GABORONE

AMEMBASSY MASERU

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DEPT PASS OPIC

E.O. 11652: N/A

TAGS: EFIN, WZ

SUBJECT: INVESTMENT PROMOTION: INTERNATIONAL HARVESTER EXPLORATORY  
TALKS ON TINKABI TRACTOR

REF: MBABANE 0022, 75 STATE 292305

1. JOHN R. BELL, TECHNICAL CONSULTANT, INTERNATIONAL HARVESTER EXPORT COMPANY OF CHICAGO, VISITED MBABANE JANUARY 6 - 7 TO EXPLORE PARTICIPATION INTERNATIONAL HARVESTER IN PRODUCTION AND MARKETING OF THE TINKABI TRACTOR WHICH WAS DESIGNED AND TEST-PRODUCED BY THE SWAZIS. BELL MET WITH DIRECTOR OF NATIONAL INDUSTRIAL DEVELOPMENT CORPORATION NATHAN AND SPENT CONSIDERABLE TIME WITH ALLEN CATTERICK, DESIGNER OF THE TINKABI TRACTOR. I HOSTED DINNER FOR BELL AND BRIEFED HIM ON USG INTEREST IN ENCOURAGING PRIVATE AMERICAN INVESTMENT TO ASSIST SWAZILAND'S DEVELOPMENT ON THE BASIS OF FREE ENTERPRISE.

2. BELL, WHO IS RESIDENT IN JOHANNESBURG, TOLD GOS REPS THAT  
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INTERNATIONAL HARVESTER WOULD BE INTERESTED IN COOPERATING WITH

THE SWAZIS IN DESIGNING AND MANUFACTURING IMPLEMENTS FOR THE TRACTOR. A TENTATIVE ACCORD WAS REACHED WITH THE DEVELOPMENT CORPORATION ON THE LOCAL MANUFACTURE AND ASSEMBLY OF TRACTOR IMPLEMENTS AS WELL AS POSSIBLE FUTURE PRODUCTION OF TINKABI TRACTORS. THIS TYPE OF ARRANGEMENT, ACCORDING TO BELL, DOES NOT REQUIRE INTERNATIONAL HARVESTER CHICAGO APPROVAL AND CAN BE MOVED ALONG QUICKLY.

3. GOS REPS SEEMED ENTHUSIASTIC AND OPTIMISTIC THAT SOME SORT OF ARRANGEMENT WITH INTERNATIONAL HARVESTER CAN BE CONCLUDED. DEVELOPMENT CORPORATION DIRECTOR NATHAN QUITE PREPARED TO ENTER INTO ARRANGEMENT WITH HARVESTER ON MANUFACTURE OF IMPLEMENTS. IN FACT, TINKABI DESIGNER CATTERICK DEPARTED JANUARY 8 FOR JOHANNESBURG TO FOLLOW UP ON TENTATIVE PROPOSAL FOR MANUFACTURE AND ASSEMBLY OF IMPLEMENTS. SINCE IMPLEMENTS INFLUENCE TRACTOR SALES, GOS REPS HOPE RELATIONS CAN BE DEVELOPED WITH INTERNATIONAL HARVESTER ON MARKETING.

4. DIRECTOR OF SWAZI DEVELOPMENT CORPORATION BELIEVES IT ESSENTIAL TO LAUNCH TRACTOR VENTURE OUTSIDE SWAZILAND WITH COOPERATION WELL-KNOWN AND REPUTABLE FIRM TO PROVIDE NECESSARY SALES ORGANIZATION AND BACK-UP SERVICES ON A COUNTRY-WIDE BASIS. BELL WAS RATHER GUARDED IN HIS COMMENTS TO GOS REPS ON ENTERING INTO THIS KIND OF ARRANGEMENT. BELL TOLD THEM THAT HE WOULD CONDUCT A MARKET SURVEY AND CONTINUE TO EXPLORE THE MERCHANDISING ISSUE INCLUDING TALKS WITH HARVESTER'S REPRESENTATIVES IN MOZAMBIQUE, MALAWI, TANZANIA AND KENYA. BELL PLANS TO RETURN TO SWAZILAND IN ABOUT 3 OR 4 WEEKS FOR FURTHER TALKS.

5. IN PRIVATE CONVERSATION WITH ME, BELL EXPRESSED SOME DOUBTS WHETHER BOARD OF DIRECTORS IN CHICAGO WOULD AGREE TO NEGOTIATE AN ARRANGEMENT FOR SALE AND SERVICING OF THE TINKABI TRACTOR THROUGH INTERNATIONAL HARVESTER'S DISTRIBUTION NETWORK AS DESIRED BY THE GOS. AS AN ALTERNATIVE TO USING HARVESTER'S DISTRIBUTION NETWORK, BELL TOLD ME IN CONFIDENCE IT MIGHT BE BETTER TO CREATE A SEPARATE DISTRIBUTION SYSTEM IN COOPERATION WITH LOCAL BUSINESS ENTERPRISES IN VARIOUS AFRICAN COUNTRIES. HE FELT HARVESTER WOULD BE PREPARED TO COOPERATE IN SUCH AN UNDERTAKING BY PROVIDING FINANCIAL HELP, TRAINING, ADVICE, SERVICES, ETC. IN HIS VIEW, SUCH AN APPROACH WOULD BE MORE CONSISTENT WITH THE LIMITED OFFICIAL USE

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LONG-RUN TREND IN AFRICAN COUNTRIES OF LOCALIZING BUSINESS.

6. ACTION REQUESTED: IT WOULD BE HELPFUL IN PROMOTING TINKABI VENTURE IF DEPARTMENT WOULD CALL INTERNATIONAL HARVESTER AT HIGH LEVEL AND (A) EXPRESS USG INTEREST IN PROMOTING PARTICIPATION OF PRIVATE U.S. FIRMS IN PRODUCTION AND MARKETING OF TINKABI TRACTOR, (B) NOTE EMBASSY PREPARED TO COOPERATE AND ASSIST AS APPROPRIATE, C. CALL ATTENTION TO VERY HELPFUL VISIT

BY BELL, (D) STRESS GOS APPRECIATION FOR INTERNATIONAL HARVESTER  
INTEREST AND THAT SWAZI OFFICIALS LOOK FORWARD TO EARLY RECEIPT  
OF CONCRETE PROPOSALS. I WOULD APPRECIATE A REPORT ON INTERNATIONAL  
HARVESTER'S REACTION.  
BOLEN

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## Message Attributes

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